



===== *It's like a* =====
WHOLE OTHER COUNTRY
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TEXAS TOURISM FY 2017 MARKETING PLAN

Canada

OVERVIEW:

Canada continues to be the second largest international source of visitor arrivals into Texas and a key market for generating tourism revenue into Texas destinations. According to Statistics Canada, a record 503,100 Canadians visited Texas in 2014 spending approximately \$454 million. Newly received statistical reports show that in 2015, despite a slightly devalued exchange rate, approximately 484,600 Canadians still travelled to Texas destinations, a four percent decrease over 2014's impressive figures.

Texas destinations are well served by airlines from major Canadian cities. Canadians have convenient and non-stop air service to Texas destinations, so weekend getaways are popular as well as multi-day vacations. Air Canada services Dallas/Fort Worth, Houston and Austin (new in 2015) with non-stop flights, WestJet Airlines into Dallas/FW and Houston and American Airlines to Dallas/Fort Worth and United into Houston.

Canada's population is expected to grow to 37.3 million by 2018 (increase of 5.7%) dominated by the "boomer/zoomer" market. Canadians aged 45+ will continue to drive the outbound leisure travel market during the next five years. Currently they are a market of 15.1 million, account for 57 percent of all consumer spending and control 78 percent of the wealth. Millennials (ages 18-34) are another growth market in Canada and total approximately 8.9 million. They are highly engaged through digital and social media and are the next generation of motivated travelers, home buyers and investors. Multi-generational travel, wellness tourism and long stay travel will increase as well.

According to the Conference Board of Canada (CBoC), the Canadian economy will continue to gain momentum throughout 2016 and 2017. While the CBoC anticipates growth in most provincial markets, Ontario and British Columbia will lead other provinces in terms of economic through 2017. The Quebec economy is also strengthening thanks in part to an expected growth in its exports to the United States.

The CBoC does state it is going to be a tough year for Alberta as the province faces cuts in energy investment and job losses which is impacting their economy. However the CBoC forecasts that Alberta will climb out of their recession in 2017 with a 2.5-per-cent growth rate. With a number of non-stop flights from Calgary and Edmonton into Texas, solid corporate market and leisure snowbirds as well as a strong cowboy culture affinity with Texas, Alberta continues to be an important market for 2017.

One of the key market concerns is the devalued exchange rate between the Canadian and U.S. dollar (currently hovering around U.S. \$0.77). The Conference Board of Canada forecasts the exchange rate will be around U.S. \$0.80 over the next two to five years. The lower Canadian dollar will affect not only exchange rate sensitive outbound travelers, but other travelers as many of the costs for tour operators, airlines and travel insurers are in U.S. dollars.



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VISITOR DATA:

Preliminary estimates for Canada show that 485,000 travelers visited Texas in 2015 and generated approximately \$426 million in direct spending. Final estimates for Canadian travel to Texas will be made available in the fall of 2016 from Statistics Canada. Ontario is the largest province by population in Canada as well as the largest source market within the country for Texas travelers.

CANADA TO TEXAS (2015p)
Visitor Volume: 485,000
Direct Travel Spending: \$426 million
Avg Nights: n/a

Arrivals from Canada to the United States in 2015 were estimated at 20.7 million, a decrease of 10% compared to the previous year. This was the second year of declines following four years of record-breaking visitation. The decline in visitation from Canada correlates strongly with the depreciation of the Canadian dollar to the US dollar. Canada was the largest market for international arrivals for the country accounting for 26.7% of arrivals. Direct spending from Canada was estimated at \$22.1 billion, a decrease of -16% from the previous year. Travel from Canada to the United States is forecasted to increase by 3% by 2020 with an annual growth rate of 0.6%.

MARKETING ACTIVITIES:

Texas Tourism's overall marketing objective for Fiscal Year 2017 is to continue to increase the profile of the Texas brand within the Canadian marketplace and develop new and exciting opportunities to promote the diversity of vacation experiences Texas has to offer Canadians, positioning Texas as a premier U.S. travel destination with great appeal to all types of travelers.

To counter any negativity due to the devalued exchange rate, we will continually stress that Texas offers incredible value for Canadians vacation dollars as well as promote uniquely Texan experiences that can't be found in other U.S. destinations. We will provide Texas sales and PR partners the opportunity to go to Canada and help promote their destinations, special offers and travel deals. We have incorporated into our plan separate missions for sales and PR delegates. This will be more effective than one traditional joint mission as format and appointments can be best tailored to specific audiences (sales/travel trade vs media).

For FY 2017, we will focus on core passion points as the focus for our marketing campaigns. Each themed campaign will include public relations and travel trade components aligning Texas with leading media brands and travel trade partners that will deliver the best possible exposure to our key target audiences.

We will continue to maintain close contact with media partners across Canada providing them with ongoing updates from Texas partners on everything from new attractions to special offers at hotels/resorts, discount offers, value adds, budget friendly vacation options and free things to do in Texas cities. We will develop effective and integrated promotional campaigns, working with top media brands targeting the 45+ market and those that are in line with our key core passion points.



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We will focus our resources on the primary markets in Canada: Ontario, Western Canada and Quebec. Secondary markets include Manitoba and Eastern/Atlantic Canada.

We will focus on key messages, themes and key motivational drivers and reinforce them in our promotions, webinars, pro-active outreach and trade partnership campaigns. We will ensure that Texas is prominently positioned with the travel trade and key distribution networks in market. Our trade partners will complement our themes in their communication including online digital and print campaigns, attending consumer and trade exhibitions, conducting sales calls and escorting FAM trips.

Sales and Media Missions & WestJet Expo:		
Event	Date	Location
Canadian Sales Mission for Sales Delegates	October 24 – 28, 2016	Toronto & Montreal, Canada
Reverse US/Canadian Sales Mission	December 5, 2016	San Antonio, Texas
Canadian Media Mission/Event for PR Delegates	Spring 2017	Toronto & Montreal, Canada
East Coast Receptive Operator Sales Mission	June 26 – 29, 2017	Orlando and Miami, Florida
Consumer & Travel Trade Shows:		
Event	Date	Location
Uniglobe Carefree Product Launch	September 10, 2016	Saskatoon, Canada
CAA Niagara Travel Show	September 18, 2016	Niagara, Canada
Salon International Tourisme Voyages	October 21 – 23, 2016	Montreal, Canada
Zoomer Show	October 29 – 30, 2016	Toronto, Canada
Zoomer Show	March 2017	Vancouver, Canada
Westjet Travel Trade Expo	May 2017	Calgary, Canada
Westjet Travel Trade Expo	May 2017	Edmonton, Canada